

Message Text

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ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 CIAE-00 EB-07 INR-07 LAB-04

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FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 3592

INFO AMEMBASSY BERLIN

AMEMBASSY BELGRADE

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

LIMITED OFFICIAL USE BUCHAREST 4053

E.O. 11652: N/A

TAGS: BTIO, RO

SUBJECT: PLANNED WORLD TRADE CENTER

1. SUMMARY: GOR HAS SENT CIRCULAR LETTER TO OFFICES OF FOREIGN FIRMS AND REPRESENTATIVES LOCATED IN ROMANIA ADVISING THEM OF GOR'S PLANS FOR WORLD TRADE CENTER COMPLEX TO BE LOCATED IN DOWNTOWN BUCHAREST. KEY ELEMENT IS THAT FIRMS BEING ASKED PAY FIVE YEARS' RENT IN ADVANCE FOR FACILITY THAT WILL NOT BE READY UNTIL END OF 1979 AT EARLIEST. REPRESENTATIVES OF AMERICAN COMPANIES LOCATED IN BUCHAREST HAVE NOT YET GIVEN GOR OFFICIAL COMPANY REACTION TO GOR PROPOSAL.

2. IN EFFORT OBTAIN INFO ON GOR PLANS TO BUILD A WORLD TRADE CENTER IN BUCHAREST, COMATT MET WITH MINISTRY OF TOURISM DIRECTOR AURELIAN DUMITRIU AND MFT COUNSELOR CONSTANTIN MERCHEA, WHO PROVIDED INFORMATION REPORTED BELOW.

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3. SHORTLY AFTER MARCH 4 EARTHQUAKE, WHICH AGGRAVATED EXISTING ACUTE SHORTAGE OF OFFICE SPACE, GOR OFFICIALS RAPIDLY RESURRECTED DORMANT PLANS FOR WORLD TRADE CENTER IN BUCHAREST. AS ENVISIONED BY GOR (I.E., IN THIS CASE MINISTRIES OF FOREIGN TRADE, TOURISM, AND FOREIGN AFFAIRS - ODCD, AND ARGUS) TRADE CENTER WOULD COMPRISE OFFICE BUILDING WITH 20,000 SQUARE METERS OF TOTAL SPACE, ANNEX (STORAGE

FACILITIES) AND A HOTEL AND BE LOCATED IN PIATA SFINTUL GHEORGHE (SEVERAL BLOCKS SOUTH OF INTERCONTINENTAL HOTEL). TRADE CENTER WOULD HAVE GARAGE, RESTAURANT, BAR, BUSINESSMEN'S CLUB, CASHIER AND OTHER SERVICE FACILITIES IN ADDITION TO TELEXES, COPYING MACHINES, ETC. DESIGN FOR OFFICE BUILDING WILL BE DRAWN UP THIS YEAR AND BUILDING SHOULD BE READY FOR OCCUPANCY BY END OF 1979.

4. IN MID-APRIL, GOR SENT CIRCULAR LETTER TO OFFICES OF FOREIGN FIRMS AND REPRESENTATIVES LOCATED IN ROMANIA ADVISING THEM OF GOR'S PLANS FOR WORLD TRADE CENTER AND ASKED FOLLOWING QUESTIONS:

A) SINCE ONCE WORLD TRADE CENTER COMPLETED, HOTEL AND OTHER TEMPORARY SPACE NOW BEING USED FOR OFFICES WILL THEN NO LONGER BE AVAILABLE, HOW MUCH SPACE WOULD YOUR COMPANY NEED IN THE TRADE CENTER? WHAT IS SURFACE AREA, NUMBER OF ROOMS, STORAGE AREA, AND NEED FOR SPECIAL FACILITIES (KITCHENETTE, BATH, ETC.)?

B) DOES YOUR COMPANY NEED SPECIAL BUSINESS FACILITIES, I.E., TELEX, PHOTOCOPIERS, FURNITURE, NUMBER OF TELEPHONES?

C) BECAUSE OF FINANCIAL PROBLEMS CONFRONTING ROMANIA AFTER THE MARCH 4 EARTHQUAKE AND DUE TO NEED FOR IMPORTED EQUIPMENT (E.G., HIGH SPEED SILENT ELEVATORS) WOULD YOUR FIRM BE WILLING TO SIGN FIVE YEAR CONTRACT TO RESERVE SPACE IN TRADE CENTER. FULL RENT FOR FIVE YEAR PERIOD WOULD BE PAYABLE NOW. RATES FOR SPACE ARE U.S. \$0.50 PER SQUARE METER PER DAY OF OFFICE SPACE AND \$0.20 PER SQUARE METER PER DAY OF STORAGE SPACE IN ANNEX.
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5. COMPANIES ADVISED THAT GOR WILL NOT PAY INTEREST ON RENTAL FUNDS PAID IN ADVANCE. IF A FIRM PAYS RENT IN ADVANCE BUT THEN CLOSES ITS OPERATIONS IN ROMANIA PRIOR TO MOVING INTO TRADE CENTER, IT WILL RECEIVE A REFUND OF TOTAL AMOUNT PAID, BUT ONLY ONE YEAR AFTER TRADE CENTER OPENED.

6. COMPANIES SIGNING LEASES FOR SPACE IN TRADE CENTER WILL BE ACCORDED FOLLOWING BENEFITS:

A) OPTION TO CHOOSE PRIME RENTAL SPACE.

B) OTHER THINGS BEING EQUAL, WHEN PRICES QUOTED FOR IMPORT CONTRACT ARE THE SAME (NOTE: OTHER THINGS ARE NEVER EQUAL), COMPANIES LOCATED IN TRADE CENTER WILL BE GIVEN CONTRACT.

C) PROVISION OF EXISTING GOR DECREE WHICH REQUIRES BIENNIAL RENEWAL OF FOREIGN FIRMS AUTHORIZATION TO OPERATE IN ROMANIA WILL BE WAIVED FOR FIRMS WHO AGREE TO PAY FIVE YEAR'S RENT IN ADVANCE FOR SPACE IN TRADE CENTER.

7. FOREIGN COMPANIES WERE GIVEN MAY 15 DEADLINE TO REPLY
TO GOR LETTER ON TRADE CENTER. DEADLINE LATER EXTENDED
UNTIL AT LEAST JUNE 10.

8. COMMENT: QUICK SURVEY OF SEVERAL REPRESENTATIVES OF
U.S. FIRMS IN BUCHAREST REVEALED THAT NONE OF THEIR
COMPANIES HAD YET RESPONDED TO GOR LETTER ON TRADE CENTER.
EMBASSY WILL REPORT FURTHER SIGNIFICANT DEVELOPMENTS CONCERNING
TRADE CENTER.
VIETS

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Message Attributes

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Sent Date: 02-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
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Secure: OPEN
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TAGS: BTIO, RO
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